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1A. STATE 09051

¶B. Fedkiw - Marty emails 2/5/2010

Sensitive but unclassified. Please protect accordingly. This cable is a copy of the scenesetter sent on 2/5/2010 (Ref B).

 (SBU) Senator Voinovich, welcome back to Ljubljana; Senator Shaheen, we look forward to welcoming you on your first trip to this beautiful little country. Your visit is an excellent opportunity to reinforce the importance of the U.S.-Slovenian bilateral relationship and thank Slovenia for the contributions it has made to ISAF and NATO operations. Slovenia is in the midst of determining its future role on the international stage as it prepares a newly-updated foreign policy strategy. We would like to see Slovenia actively assist with Afghanistan's stabilization and reconstruction efforts, take a stronger leadership role in assisting the Western Balkans to further integrate into Euro-Atlantic institutions, and act as a force multiplier within the EU in addressing common security threats such as climate change, energy security and Iran's nuclear program. We also see climate and energy as two areas where U.S. companies may be able to provide cost-effective, "green" solutions for Slovenia. Your meetings will help us reinforce our message that Slovenia must not only follow through with the Alliance commitments it has made to date, but also continue to look beyond its borders to address the most pressing issues in southeast Europe and beyond if it is to receive the recognition it seeks.

OVERVIEW OF SLOVENIA

- 12. (U) Slovenia has a great story to tell. In the relatively short time since the breakup of the former Yugoslavia, Slovenia has instituted a vibrant, stable, multi-party, democratic political system characterized by regular elections, a free press, and an excellent human rights record. Slovenia has the highest per capita GDP of any post-communist country and was the first country in Central and Eastern Europe to adopt the Euro. As a member of the Schengen zone of borderless travel, it takes seriously its role in ensuring the security of Europe's -- and ultimately the United States' -- borders.
- ¶3. (U) Diplomatically-speaking, this country of only two million is boxing above its weight. Slovenia was the first of the twelve new members of the European Union to take on the organization's presidency, a role that can be challenging even for much larger countries. In the short time since its independence, Slovenia served as the Chairman-in-Office of the Council of Europe (May-Nov 2009), President of the European Council (Jan-June 2008), Chairman-in-Office of the Organization for Security and Co-operation in Europe (OSCE, 2005), and Chairman of the International Atomic Energy Agency's (IAEA) Board of Governors (2006-2007). Slovenia is slated to continue its visible EU role as it prepares to host the

European Union's new Agency for the Cooperation of Energy Regulators (ACER) in Ljubljana.

YOUR MEETINGS

- 14. (SBU) While you are in Slovenia, you will meet with President Danilo Turk, Prime Minister Pahor, Foreign Minister Samuel Zbogar and, most likely, Defense Minister Ljubica Jelusic. You may also have the opportunity to meet opposition leader Janez Jansa. Our interlocutors are very much looking forward to your visit, which will be the first Congressional Delegation to visit Slovenia since the election of President Obama, and the first since the Pahor government came to power in November 2008.
- $\P5$. (SBU) President Turk is nominally independent, but comes from the political Left. He is held in high esteem by the Slovene public and consistently polls as the most-liked politician in Slovenia. many years of experience in the United Nations have strongly influenced his views on human security issues, the international mission in Afghanistan, and the Middle East peace process. Borut Pahor, Slovenia's current Prime Minister, leads a coalition of center-left parties that holds a simple majority in Parliament. Pahor is well-disposed to the United States and is a frank interlocutor. Foreign Minister Zbogar is a career diplomat who spent several years in the UN with Turk and served as Slovenia's Ambassador to the United States from 2004-2008. Ljubica Jelusic, Slovenia's Minister of Defense, is a pragmatic and forward-looking leader who greatly values our assistance in the ongoing transformation of the Slovene Armed Forces. Finally, former Prime Minister and vocal opposition leader Janez Jansa remains a powerful player in Slovene politics. His center-right party challenges Pahor's coalition and its policies at every turn, including with regard to the arbitration agreement set to resolve the long-standing border dispute with Croatia.

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THE U.S.-SLOVENIA BILATERAL RELATIONSHIP A PARTNER IN THE WESTERN BALKANS: SLOVENIA'S "ADDED VALUE"

- 16. (SBU) Since Slovenia's declaration of independence in 1991, the United States and Slovenia have developed a strong bilateral relationship based on a consistent record of cooperation on regional issues. We have worked closely with the Slovenes to resolve most of the succession issues stemming from the breakup of Yugoslavia. Slovenia provided invaluable assistance to the United States and NATO by facilitating deployment of the Implementation Force (IFOR) and subsequently Stabilization Force (SFOR) to Bosnia after the conclusion of the Dayton Accords. With strong U.S. support, Slovenia developed the International Trust Fund for Demining and Mine-Victim Assistance (ITF) as the demining instrument of choice in the Balkans. Congress has appropriated \$126 million to support the work of the ITF, including \$12.2 million for 2009. ITF seeks to expand its operations beyond the region, but it is not currently authorized to use U.S. funds outside the area of its original mandate.
- 17. (SBU) Slovenia sees eye-to-eye with the United States on nearly all issues relating to the Western Balkans and offers us a good partner in promoting transatlantic priorities in the region. The one major stumbling block -- the Slovenia-Croatia border dispute -- appears to be on its way to resolution now that the Prime Ministers of the two countries signed an agreement to send the dispute to arbitration. Slovenia's Constitutional Court is currently reviewing the agreement before Parliament will consider ratification. However, former PM Jansa's opposition to the agreement presents a real threat to ratification. In the meantime, Croatia's EU accession negotiations continue in Brussels. The Prime Ministers of Slovenia and Croatia agreed in January to establish a joint commission to review and propose solutions for outstanding problems related to the remaining negotiation "chapters" -- namely fisheries, environment and foreign relations. It is our understanding that progress is being made on these chapters. You should encourage the Slovenes to allow the opening of the remaining chapters as soon as possible.

- 18. (SBU) Slovenia's strong political, economic, historical, and people-to-people ties with the region give Ljubljana a unique perspective into the problems of the Western Balkans. Slovenian experts and government officials provide training in the areas of legislation, democracy building and organization of key state institutions, and Slovenian ministries have cooperated closely on a technical level with their counterparts in the region. In addition to official links, Slovenia has a complex web of connections with the Western Balkans through NGOs, business and trade. Recent figures indicate that 67% of Slovenian direct investment is in the Western Balkans.
- 19. (SBU) Slovenia sees the prospect of EU and NATO membership not only as a stabilizing factor in the Western Balkans, but also as a key engine for reform, particularly in Sarajevo. Foreign Minister Zbogar, whom you will meet, recently assessed that Slovenia enjoys excellent relations with countries in the region based on mutual trust and equal partnership. The FM noted Ljubljana's policy is to apply a consistent and impartial approach to all countries in the Western Balkans, and in particular, to places where there may be fundamental disagreements such as Serbia and Kosovo. Because Bosnia and Herzegovina (BiH) forms a major focal point for Slovenia's overall foreign policy, the Slovenes offer us a good partner as we work to help the Bosnians reform their constitution. The same can be said of Slovenia's relations with Serbia and Kosovo. You should encourage the Slovenes to use these close ties to help bridge the divides among Bosnians, and between Kosovars and Serbs.

SLOVENIA'S CONTRIBUTIONS TO NATO, ISAF

110. (SBU) Slovenia's military has taken great strides in a short time to become a professional force which is equipped and eager to contribute to the collective security of the NATO Alliance. Slovene contributions are of high quality even if quantity in absolute terms is not large. U.S. and multinational commanders have repeatedly praised Slovene soldiers for their professionalism. As of January 2010, the Slovene Armed Forces (SAF) include approximately 7,600 soldiers and 1,700 reservists. In addition to a deployable reaction force (one brigade), the SAF has a small air force and naval detachment. Slovenia has more than 500 soldiers (almost seven percent of its forces) deployed abroad in international missions, serving in places such as Kosovo, Afghanistan, Lebanon and Bosnia. The United States provides bilateral military assistance primarily through the International Military Education and Training (IMET) program, Foreign Military Financing (FMF) program, and a state partnership program with the Colorado National Guard.

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- 111. (SBU) Slovenia currently has two platoons (69 soldiers) deployed with the Italians in Herat on a tightly-caveated force protection mission. Slovenia has not suffered a single casualty in Afghanistan to date. In a major step forward, the Government of Slovenia (GOS) approved late last year the deployment of an Operational Mentoring and Liaison Team (OMLT) to Herat with no functional caveats. This was a difficult political move for Prime Minister Pahor, as he faced -- and still faces -- strong opposition to Slovene involvement in Afghanistan not only from a skeptical public, but from within his own coalition. We are assisting Slovenia to prepare for the October deployment of the OMLT.
- 112. (SBU) Defense Minister Jelusic's forward-leaning leadership on defense transformation has been undermined by crippling budget cuts even as the state's overall budget deficit has ballooned. You should use your meetings with the Slovene leadership to highlight the importance of Slovenia's active involvement in NATO -- and the allocation of adequate resources -- not only to fulfill its responsibilities as a strong Alliance partner, but also to serve as a model for those countries in the Western Balkans seeking NATO membership.

UNEXPLOITED ECONOMIC POTENTIAL

113. (U) On the commercial and economic front, we are working closely with the American Chamber of Commerce in Slovenia and other organizations to promote trade with the United States and to improve

the business climate for American companies. Slovenia remains a largely overlooked market, though opportunities exist for exports and technology transfers in many sectors, such as renewable energies. In addition, Slovenia's extensive web of commercial ties in the countries of the former Yugoslavia makes it a potential hub for Americans looking to do business in the Western Balkans. The global economic downturn has been felt strongly in Slovenia, where 60% to70% of GDP derives from exports, mostly to Germany and other EU members. Government policies have prevented massive layoffs, but unemployment has nevertheless increased to roughly 10% according to Slovene government figures and the public budget deficit has ballooned to 5.5% of GDP in 2009, exceeding the 3% limit set in the European Union's Growth and Stability Pact.

THE INEVITABLE QUESTION

114. (SBU) You will undoubtedly be asked why there is no U.S. Ambassador in Ljubljana and when one will arrive. The previous Ambassador departed when President Obama took office. We take every opportunity to reassure Slovenians by both word and deed that our relationship remains strong. Your visit and the message that a nomination -- though not yet a nominee -- is in the pipeline will reassure them.

DOBRODOSLI AND WELCOME!

115. (SBU) Slovenia has much to offer the international community if it continues to look beyond its borders to address the most pressing issues in southeast Europe, Afghanistan and globally. We stand to benefit from Slovenia's unique perspective on the Balkans as we work together to address critical reforms in this region. Your visit will help reassure the Slovenes that our ties are strong and Washington remains committed to a close and mutually beneficial bilateral relationship. I look forward to welcoming you to Slovenia and briefing you upon your arrival.